



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber, 202/224-6522
Re: trade advisory committee system
Da: Thursday, Jan. 16, 2003

Sen. Chuck Grassley, chairman of the Committee on Finance, earlier this week received a letter from United States Trade Representative Ambassador Robert Zoellick outlining steps the Bush administration is taking to revamp the 28-year-old trade advisory committee system so that it is more relevant, effective, and meaningful in the formulation of United States trade policy. Zoellick's letter was in response to Grassley's July 18, 2001, request to the General Accounting Office, asking the GAO to review the efficiency and operational capability of the trade advisory committee system. Grassley made the following comment on the administration's initiatives to update and revitalize the trade advisory committee system.

"These initiatives are significant for three reasons. First, the current system encompasses four government agencies. Nothing is more important to me as a senator than making government more efficient, responsive and accountable to the needs and concerns of the American people. The GAO report I commissioned found key areas where the current system was not as efficient, responsive, and accountable as I expect it to be. With the improvements the administration is putting in place, I'm more confident the American people will get their money's worth from an enhanced trade advisory system.

"Second, the United States is now aggressively pursuing more new trade agreements than any prior administration in the history of our country. I believe it's essential that as we negotiate and implement new trade agreements, which deal with increasingly complex matters, that we ensure that those with an economic stake in trade policy are able to make their voices heard. This was Congress' intent in creating the trade advisory committee system almost three decades ago. Unfortunately, the system did not keep pace with the increasing complexity of trade negotiations, or with the many significant changes that have occurred in the American economy during the last 28 years. As a result, the hundreds of private sector individuals who commit their time and energy to participate in the advisory process found at times that they could not provide the most effective input as trade negotiations unfolded. But with the administration's improvements to the system, I believe that we can again more fully meet Congress's intent when we first created the system in 1974.

"I'm particularly pleased that the initiatives adopted by the administration address my core concerns about the effectiveness and timeliness of the consultation process in crafting trade policy. Specifically, the administration is focusing its efforts on improving communication procedures with advisory committees, establishing better interagency coordination, improving access to trade agreements and supporting material, and streamlining the cumbersome clearance process for

committee nominees.

“Finally, the administration’s improvements to the trade advisory system will mean that it’ll be easier to negotiate and win congressional approval of trade deals that boost the American economy. As we break down more trade barriers, and America’s competitive workers, farmers, ranchers, and businesses gain access to more foreign markets, we will increase investment, employment, and income throughout the United States.

“Our trade advisory system is a key part of our trade policy play book. I’m pleased that the administration is taking steps to improve this valuable policy-making tool. I look forward to working with the administration as we continue our efforts toward ensuring a more efficient and effective trade advisory system.”

Brief Summary of Key Findings of the GAO Report on the Trade Advisory Committee System

The GAO report identified specific problem areas, including the findings that consultations with committee members were not always timely enough to have an impact on U.S. policy, and that committee members and negotiators believed that the consultations that did occur were not always meaningful or useful. The GAO also found that trade advisory committee members believe that the system’s consultation process needs greater accountability to ensure that advice is considered.

The GAO report also found that the structure and composition of the committee system have not been fully updated to reflect changes in the U.S. economy.

To remedy these findings, the GAO recommended that the four government agencies involved in the trade advisory committee system improve the consultation process, update the system’s structure and membership, and upgrade system management.